GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

APIIC – Approval of the Proposal of the APIIC to resolve few long pending issues related to Industrial Park at Mallavalli Village, Bapulapadu Mandal, Krishna District - Approved - Orders – Issued.

INDUSTRIES AND COMMERCE (INFRA) DEPARTMENT

G.O.Ms.No.65 Dated: 24-10-2024.
Read the following:

1. From the VC&MD., APIIC Ltd., Vijayawada Lr.No.8842/APIIC/MSME Parks/2016, dt.16.08.2016.
2. From the VC&MD., APIIC Ltd., Vijayawada Lr.No.APIIC/KRS/001, dt.15.02.2017.
3. From the VC&MD., APIIC Ltd., Vijayawada Lr.No.8842/APIIC/AM(P)/ IPMallavalli/General/2016, dt.01.03.2017.
4. G.O.Ms.No.106, Revenue (Assgn.I) Dept., dt.16.03.2017.
5. G.O.Ms.No.78, Industries & Commerce (Infra) Dept., dt.19.05.2017.
6. From the VC&MD., APIIC Ltd., e-file bearing No. APIIC-17/87/2018- ASSET MGMT-APIIC (C.No.584241)

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O R D E R:

Pursuant to the 1st to 5th read above, orders issued to APIIC to make the land cost @ Rs.16.50 Lakhs per Acre for the development of Multi product Industrial Park in an extent of 1341.67 Acs in R.S.No.11 of Mallavalli (V), Bapulapadu (M), Krishna District for establishment of various Industries, GoI Projects and MSME Clusters.

2. In the reference 6th read above, the VC&MD., APIIC Ltd., has sent proposal to resolve the long-pending issues in the IP Mallavalli (the detailed proposal is attached at Annexure), seeking orders of the Government on the following:

i. Re-allotment of available Plots in about 150 acres to 349 allottees, duly revising the Layout and to process further as per the plan proposed.
ii. Decision on the request of the allottees to fix the allotment price of the lands @ INR 16.50 lakhs per acre as fixed under G.O No.78, I&C dept, dated 19.05.2017 to both the category of allottees, duly insisting the Project Implementation Timeline.
iii. Financial support to APIIC for the infrastructure works in IP Mallavalli under *Special Assistance to States for Capital Investment (SASCI) scheme* and handholding for about Rs.1000 Cr soft loan to APIIC.

P.T.O.

3. APIIC has submitted that APIIC has applied due diligence while proposing the plan and carried out multiple visits to the site, held multiple discussions with the District Administration and other official stakeholders and held multiple meetings with the allottees of the past, to resolve the issues. Further, APIIC has further submitted that the proposed plan of the APIIC will be helping to resolve the long-pending issues of about 400 allottees, who will be able to expedite their Industrial investment in the reallotted / original allotted plots and thereby, creating huge employment opportunities in the Mallavalli IP Park, as most of these allottees fall under the category of MSMEs. Further, with the completion of these industrial investments, the intended purpose of developing a model Industrial Park at Mallavalli will be achieved, duly increasing the indirect employment in this Industrial Park and surrounding areas. The implementation of the proposed plan will also increase the confidence of the investors, who have been allotted industrial plots in the State and thereby, increasing further industrial investment in the State of Andhra Pradesh.

4. The remarks of the Finance Department have been received vide e-FILE No. C.No.13023/Infra/A1/2016 (C.No.126885) that as there is an encumbrance free land of 151.91 acres, the entire liabilities in terms of allotments for low-lying allottees, lands covered in dispute may be completed within this 151.91 acres only; the lands involved in legal disputes may be pursued at appropriate legal forum and once the land is free through legal means without any additional financial liability to state in terms of compensation, land acquisition, etc, the Department may take a decision on conversion of the lands reserved for communal purposes to reduce further liabilities. Finance Department has also remarked that the infrastructural works that are completed within FY 2024-25 can only be covered under SASCI and hence, accordingly, bare minimum requirements may be proposed under SASCI as per the execution timelines. Finance Department has remarked that Industry department may like to include inflation adjustment to the original offer rates. These remarks of the Finance Department are issued vide Finance U.O.No.FIN01-FMU0ASD(IIE)/15/2024 (Computer No.2582663) and have been appropriately incorporated.

5. The Government, after careful examination of the proposal, hereby approves the proposed plan of APIIC on the following issues related to Industrial Park at Mallavalli:

i. Re-allotment of available Plots in about 150 acres to 349 allottees, duly approving the revised Layout Plan as proposed by APIIC and to process further as per the plan proposed for Re-allotment of available plots to the eligible allottees.

ii. Approval of allotment price of the lands @ INR 16.50 lakhs per acre as fixed under G.O No.78, I&C dept, dated 19.05.2017 to both the category of allottees, duly insisting the Project Implementation Timeline of grounding the projects within next 6 months and completing the projects as per the Timelines proposed by the APIIC in their plan as given in the Annexure appended to this G.O.

iii. Financial support to APIIC for the infrastructure works in IP Mallavalli under *Special Assistance to States for Capital Investment (SASCI) scheme* as per the eligibility.

6. The Vice Chairman & Managing Director, APIIC Ltd., Mangalagiri, shall take further necessary action in the matter accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

N. YUVARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Vice Chairman & Managing Director,
A.P. Industrial Infrastructure Corporation Ltd., APIIC Tower,
IT Park, Mangalagiri, Guntur District, A.P. – 522 503. (w.e.)

Copy to:
The General Administration (Cabinet) Department.
(With reference to U.O.No.196/2024, dt:21.10.2024.)
The P.S. to Additional Secretary to Chief Minister, A.P. Secretariat.
The P.S.to Hon'ble Minister (I&C and FP), AP Secretariat.
The P.S. to Chief Secretary to Government, A.P. Secretariat.
The P.S. to Secretary to Government & CIP., Ind. & Com. Dept, A.P. Secretariat.
The Director of Industries, APIIC Towers, 8th Floor, Mangalgiri,A.P.-522503.
SC/SF (C.No.126885)

//FORWARDED BY: ORDER//

SECTION OFFICER

Annexure to G.O.Ms.No.65, Ind. & Comm. (Infra) Department, dt.24.10.2024 The APIIC's Proposal to resolve the pending issues of Industrial Park at Mallavalli

1. Background

In 2016, the Andhra Pradesh Government (GoAP) aimed to establish an industrial park in Mallavalli Village, Bapulapadu Mandal. To achieve this, the Mallavalli Industrial Cluster was planned, encompassing the Model Industrial Park (MIP), Mega Food Park, and State Food Park, spread across 1,360 acres. The MIP, consisting of Phase I and II, was designed as a multi-product park covering 1,262 acres.

i. **Amount deposited for land acquisition**: To date, APIIC deposited INR 104.88 crore with the district administration.

ii. **Land Possession:** As per GO Ms. No. 456, Rev Dept. dated 25.10.2016, possession of 1,360.06 acres was granted to APIIC after making payments to eligible encroachers. Two layouts were prepared MIP Phase-I & II

   i. **Phase-**I: Comprised of 1,162.57 acre with 784.64 acre of net plotted area and 1,240 plots.

   ii. **Phase-II:** 100.06 acre with 56 acre of net plotted area and 44 plots. *The complete area is under dispute.*

iii. **History of Price Fixation and Revision of Prices over the years**: GoAP vide the G.O No.78, I&C dept, dated 19.05.2017 instructed APIIC to allot land at a concession price @ *INR 16.50 lakhs per acre* and committed to extend the following support/waivers to APIIC:

   a. Available Government land (743.62 Acs) of Mallavalli (V), Bapulapadu (M), Krishna District is allotted on free of cost to APIIC.
   b. Water supply to Industrial Park from existing Nuzivid Water Supply Scheme, exempting the capital cost & connection charges.
   c. NALA conversion charges payable to Revenue Department for the lands proposed to be acquired are exempted.
   d. Layout approval & development charges for the Industrial Park payable to APCRDA are exempted.
   e. Allocation of Rs.68.00 Crores during the financial year 2016-17 under IIDF for APIIC towards development of external infrastructure.
   f. Avenue plantation in the Multi product Industrial Park at Mallavalli will be taken up by them under NREGS as part of Environment Management plan.

iv. Based on GoAP vide letter dated 04.07.21 and due to lack of the financial aid, the Price Fixation and Infrastructure Committee (PF&IC) revised the allotment prices in December 2021 revising it to @ Rs.89.16 Lakhs per acre in FY 2021-22. (valid upto FY 2024-25). Summary of price revision done by APIIC so far, is tabulated below:

S No.	Description of	2017	GoAP 2017	2019	2019 to 2021	2021 to 2024
1	Total Land Cost (Ref: Annexure-II)	201.09	As per G.O Ms No 456	Matched with Mega Food Park *(To meet funding gap)*	Matched with market value	Increased by 12% (General revision)
2	Total Development Cost (Ref: Annexure-III)	296.91				
	Total	**507.00**				
3	Rate per acre (INR Lakhs per acre)	65.84	16.51	46.58	79.60	89.16

v. **History of Land Allotment:** APIIC initiated the allotment process for plots within the MIP in September 2017 and the first allotments was awarded in January 2018. APIIC has allotted a total of 828.94 acres of land in MIP Phases I and II. However, 320.47 acres, involving 577 allottees, have been cancelled. As of now, there are 356 active allotments encompassing 508.48 acres. Status of Live allottees are tabulated below:

Sl. No	Impl. Status[1]	Units	Extent (Ac.)	Inv. (INR Cr)#	Empl.#	Land Cost (Units)		Project implementation (Units)	
						Paid	Not Paid	In time	Time lapsed
1	**G1**	25	129.49	850.77	4,375	25	-	20	5
2	**G2**	9	80.71	189.89	3,083	9	-	-	9
3	**G3**	-	-	-	-	-	-	-	
4	**G4**	5	38.18	271.25	1,385	5	-	-	5
5	**R1**	148	67.53	530.68	14,290	148	-	67	81
6	**R2**	28	45.47	425.24	3,036	28	-	28	-
7	**R3**	141	147.10	301.22	7,188	94	47	141	-
	Total	**356**	**508.48**	**2,569.05**	**33,357**	**309**	**47**	**256**	**100**

#Kindly note: *Actuals are captured for G1&G2 category and for others proposed figures are showcased.*

vi.Allotment summary as per allotment price:

Sl No	Allotment Price (INR Lakhs/ Acre)	Live Allotments		Cancelled Allotment	
		Units	Extent (Ac.)	Units	Extent (Ac.)
1	16.50	257	314.56	508	219.51
2	20.00	1	101.81	-	-
3	41.56	1	25.00	-	-
4	79.60	24	8.78	43	9.28
5	89.16	73	58.31	26	91.68
	Total	**356**	**508.48**	**577**	**320.47**

vii. **Cancellation of allotments**: The primary cause for the cancellation of 47% of the allotments was the failure of allottees to pay the required land costs. A secondary reason, contributing to 28% of the cancellations, was the non-execution of sale agreements and were cancelled in accordance with the relevant regulations issued over time. Details are as tabulated below:

Sl No	Description	Phase-I		Phase-II		Total	
		Ext. (Ac.)	Allt (Nos.)	Ext. (Ac.)	Allt (Nos.)	Ext. (Ac.)	Allt (Nos.)
1	Non Payment of land cost	176.54	270	1.55	4	178.09	274
2	Non Execution of Sale Agreement	68.15	163	-	-	68.15	163
3	Plot under dispute	28.72	70	20.30	28	49.02	98
4	Allotee requested for cancellation	24.50	41	0.72	1	25.22	42
	Total	**297.91**	**544**	**22.56**	**33**	**320.47**	**577**

viii. Out of 577 cancelled allotments, 508 allotments were made at the discounted rate @ INR 16.50 Lakhs/ acre. Out of this, 23 allottees were cancelled due to non-payment of land cost and 185 allottees were refunded their land cost. Further balance **300** allottees have refused to take refund, as they are requesting for re-allotment at the original price of INR 16.50 Lakhs. Details are as tabulated below:

S No.	Description	Extent (Ac.)	Plots	Allottee
1	Allotments made (phase-I &II) @ INR 16.50 Lakhs/ Ac.	219.51	698	508
2	**Sub:** Non-payment of land cost	7.17	37	23
3	**Sub:** cancelled and refunds made	78.75	251	185
	Balance (Cancelled, refusing to process refund)	**133.70**	**410**	**300**

ix. Further out of the 577 cancelled allottees, 277 allottees were refunded and balance 300 are yet to be refunded. These 300 allottees are among the 508 cancelled allottees who were allotted land at a discounted rate @ INR 16.50 Lakhs per acre in accordance with the G.O Ms No. 456.

x. Thus, the summary of Live, Cancelled, Refunded and Balance to be refunded cases is given below:

Sl. No	Phase	Gross Area (Ac.)	Net Area (Ac.)	Live		Cancelled		Refunded against cancellation		Balance to be refunded	
				Ext. (Ac.)	Allt (Nos.)	Ext. (Ac.)	Allt (Nos.)	Ext. (Ac.)	Allt (Nos.)	Ext. (Ac.)	Allt (Nos.)
1	Phase-I	1,162.57	784.64	508.48	356	297.91	544	183.14	271	114.77	273
2	Phase-II	100.06	54.00	-	-	22.56	33	3.63	6	18.93	27
	Total	**1262.63**	**838.64**	**508.48**	**356**	**320.47**	**577**	**186.77**	**277**	**133.70**	**300**

xi. It is to kindly note that the 277 allottees who have received refunds from APIIC following the cancellation of their allotments are not eligible for re-allotment, either now or in the future.

2. Land related issues

As of now, approximately 318.86 acres of land within the MIP are currently entangled in legal disputes and court cases as given below:

S No.	Description	Extent (Ac.)
1	Boundary dispute between APIIC Land (Survey No.11 and Private Land Survey No.5/1. Stay orders granted Pending in court).	131.11
2	Obstructions due to non-receipt of compensation. Interim stay. WP Pending. *Dispute to be settled.*	96.00
3	Obstructions due to non-receipt of compensation. WP disposed. *Dispute to be settled.*	52.75
4	Obstructions due to non-receipt of compensation. WP Pending. *Dispute to be settled.*	39.00
	Total	**318.86**

3. PROPOSAL

The APIIC has submitted the following proposal / plan to resolve the long-pending land issues, the requests of the cancelled allottees for re-allotment, duly seeking guidance on the allotment price and support for the infrastructure and land project cost to complete the works and make the IP Mallavalli as one of the model parks in the State:

i. **Approval of the revised layout, duly reserving alternate lands for community development:**

a) To expedite industrial development in the area and offer alternative solutions to affected allottees, possession of 89.88 acre (previously earmarked for development of community purpose) was handed over by District Administration to APIIC on September 17, 2024 to comply the condition for designated community development space as per G.O. Ms. No. 456 and accordingly, the APIIC has developed layouts for MIP Phase-III, covering a gross area of 89.88 acres, and MIP Phase-I, covering a gross area of 1172.12 acres and details are as given below:

S No.	Description	MIP Phase-I	MIP Phase-III	Total
1.	Gross area (in Ac.)	1172.12	89.88	1,262.00
2.	Plotted area (Saleable) (in Ac.)	780.93	55.67	836.00
3.	Amenities (Saleable)	39.48	2.72	42.20
4.	Roads	143.82	16.60	160.42
5.	Open Space and buffer	133.85	9.38	143.23
6.	Utilities	16.18	0.94	17.12
7.	Parking	58.86	4.57	58.86

b) Proposal for reserving land for Community development: In accordance with the G.O. Ms. No. 456, it is proposed that the *100.06-acre Phase-II area* will be allocated for community development or housing purposes for homeless families in Mallavalli Village. Alternatively, this Phase-II area could be utilized for industrial allotment by the Andhra Pradesh Industrial Infrastructure Corporation (APIIC).

c) Approval is requested for approval of the revised layout above; APIIC has also sought direction, whether the Phase-II land area should be designated for community development purposes or retained by APIIC for industrial use.

ii. **Approval of the proposed plan for Re-allotment of available plots to the eligible allottees**

d) **Proposal of the eligible cases of Re-allotments**

i. 300 allottees: Out of 577 cancelled allotments, 300 allottees are yet to be refunded the land cost paid at the time of allotment. Further, around 100 of such allotees have filed petition against the cancellation of allotments and have denied to pay the differential land cost.

ii. 49 allottees: Out of the 356 live allotments made in Phase-I, 49 allotments are under low lying area

S No.	Description	Nos	Extent (Ac.)	Remarks
1.	Cancelled and to be settled	300	133.70	Requesting for retaining the original price of INR 16.50 Lakhs per acre.
2.	Live Allotments in Low Lying area	49	16.12	
	Total	**349**	**149.81**	

e) **Identification of encumbrance free lands to these eligible cases for reallotment**: According to the revised layout submitted above, the net vacant area in MIP Phase-I & III is 328.12 acres; Out of this, 151.91 acres (96.24 + 55.67 acres) are free from encumbrances and is sufficient to reallocate the 349 allottees covering 149.81 acres.

S No.	Description	MIP Phase-I	MIP Phase-III	Total
1.	**Total plotted area**	780.93	55.67	836.60
2.	**Sub:** Live allotments	508.48	-	508.48
3.	**Net:** Vacant Area	272.45	55.67	328.12
	Vacant Encumbrance free area	**96.24**	**55.67**	**151.91**
	Balance area vacant (under disputes and to be made allottable)	176.21	-	176.21

f) Proposed Process of Re-Allotment:

i. Categorization of Plots for Re-allotment: To ensure a fair and equitable distribution of re-allotted plots, the available plots shall be categorized based on the varying sizes of the original allotments held by the 349 allottees. This categorization will help to match re-allottees with plots that align with their specific needs and project requirements.

ii. Lottery System for Plot Assignment: A transparent and impartial lottery system will be implemented to assign specific plot size groups to the 349 allottees. This randomized process will ensure that all eligible allottees have an equal opportunity to receive a plot that meets their preferences and project goals.

iii. Extension of Time for Project Implementation: To provide adequate time for project implementation, re-allottees will be granted an extension of time (EOT). For units up to one acre, a maximum EOT of two years will be allowed. For larger projects exceeding one acre, a more extended EOT of three years will be provided. This flexibility will enable allottees to effectively plan and execute their projects within a reasonable timeframe.

g) Approval is required for proposed process for re-allotment of 349 allotees covering 149.81 acres in vacant areas, as worked out above; APIIC has informed that despite repeated meetings in this regard with these allottees of the past, they have requested for the allotment price request of the allottees to fix the allotment price of the lands, while processing for reallotment of fresh plots @ INR 16.50 lakhs per acre as fixed under G.O No.78, I&C dept, dated 19.05.2017 and accordingly, APIIC has requested suitable order in this regard.

iii. **Proposal seeking guidance on 56 Live allottees, who are refuting to pay differential land cost**

a) There are 56 live allottees covering 21.20 acre who were allotted land in 2018 @ INR 16.50 lakhs per acre. Subsequently these allottees paid the land cost under the stipulated timelines of the allotment regulation. Allotment status is as tabulated below:

S No.	Present stage of allotment	Extent (Ac.)	Allottee (No.)
1	Final allotment	6.67	17
2	Provisional allotment	14.53	39
	Total	**21.20**	**56**

b) Further, to compensate for this price adjustment, the PF&IC with the approval from the APIIC Board, issued notice to collect the difference in land cost @ Rs 65.84 Lakhs per acre from allottees who had initially received land at a discounted rate of INR 16.5 lakhs per acre.

c) Following the PF&IC's decision, notices were sent to these allottees in July 2022 requesting payment of the differential land cost by December 2023. However, the deadline has passed, and these allottees are disputing the demand for payment of differential land cost.

d) APIIC has informed that despite repeated meetings in this regard with these allottees, they have also requested for the allotment price to be frozen @ INR 16.50 lakhs per acre as fixed under G.O No.78, I&C dept, dated 19.05.2017 and accordingly, APIIC has requested suitable order in this regard, while continuing their allotments.

iv. Proposed plan for Timelines for completion of Payment of Land cost and Implementation

a) **Payment of land cost:** Allottee is required to pay the land cost within 60 days from the date of issuance of provisional allotment letter. An extension of 30 days (with a 9% annual interest rate) is available for paying the land cost. However, any further delays will result in the cancellation of the allotment.

b) **Project Implementation timeline**: According to the allotment regulations, a maximum of two years is allowed for the implementation of projects up to one acre, while projects exceeding one acre have a maximum of three years. Any requests for further extensions will be evaluated by the EoT committee, and such extensions will be granted with applicable EoT fees as outlined in the 2023 allotment regulations.

c) The following proposal is submitted by APIIC

I. The EoT timeline to be adopted for all re-allotted units

II. The EoT timeline for all re-allotted units to commence from the date of issuance of final allotment letter.

III. All live allottees excluding those who are re-allotted, shall adhere to the timelines stipulated in the allotment letter and shall be scrutinized in accordance with the prevailing land allotment regulation.

v. Requirement of funds for Land and Development of the IP Mallavalli and request thereon;

a) APIIC has a funding shortfall of INR 444.10 Cr for meeting his commitments against land acquisition cost and infrastructure development cost (to the tune of Rs.182.82 Cr + taxes) and to bridge the critical funding gap for the Mallavalli Industrial Park (MIP), it is requested that funds be sanctioned under the Special Assistance to States for Capital Investment (SASCI) scheme.

b) As part of APIIC's commitment to driving development of industrial ecosystem, there is an exigent requirement of financial assistance to support various industrial infrastructure developments planned across the state. These funds will be used to fuel the growth of various industrial infrastructure projects across the state. These initiatives include the establishment of new industrial clusters, the development of essential external infrastructure (such as approach roads, power and water supply networks) for existing or upcoming clusters, and the comprehensive improvement of industrial infrastructure statewide.

c) Given the aforementioned context, APIIC has requested that suitable financial support to APIIC for the infrastructure works in IP Mallavalli under *Special Assistance to States for Capital Investment (SASCI) scheme* and handholding for about Rs.1000 Cr soft loan to APIIC to be provided to bridge the financial gaps.

[1] G1: Gone into Production G2: Trial Production G3: Machinery erected, G4: Commenced civil works R1: Land in Possession of company and approval obtained R2: Land allotted to company and other approvals in progress, R3: Land allotted and Possession to be handed over.

N. YUVARAJ
SECRETARY TO GOVERNMENT & CIP